Tan Kim Hock Product Centre Sdn Bhd & Anor v Tan KimHock Tong Seng Food Industry Sdn Bhd

COURT OF APPEAL (PUTRAJAYA) — CIVIL APPEAL NO W-02(IM)(IPCV)-482–03 OF 2015
ALIZATUL KHAIR, VARGHESE GEORGE AND NALLINI PATHMANATHAN JJCA
2 DECEMBER 2016

Trade Marks — Trade description — Trade description order — Respondent obtained trade description orders pursuant to s 9 of the Trade Description Act 2011 — Appellants applied to set aside orders — Whether there was non-disclosure of fact that registered trademark abandoned by non-use — Whether there was non-disclosure that first appellant was joint owners or common users of impugned trademark — Whether orders obtained pursuant to s 9 of the Act ultra vires that provision — Trade Description Act 2011 s 9 — Trade Mark Act 1976 s 23(1)

The respondent was incorporated in 1975 to undertake the manufacture, processing and distribution of the respondent's 'dodol' products. In 1976, vide a trademark application No M/72924 made by one KH Tan, the impugned trademark was registered in Class 30 and the same had been renewed until 21 September 2021 by the respondent. In 2001, Tan Kim Hock Product Centre Sdn Bhd ('the first appellant') was incorporated with KH Tan and one Siah Siu Eng ('the second appellant') as shareholder to sell and market the respondent's 'dodol' products. Subsequently, KH Tan had sold his share in the first appellant to the second appellant. In 2013, the respondent had stopped using the first appellant as a distributor, nevertheless, it was discovered that the first appellant was selling at its premises 'dodol' and biscuit products bearing confusingly similar trademark as the mark No M/72924. Consequently, the respondent obtained from the High Court three ex parte trade description orders ('the orders') pursuant to s 9 of the Trade Description Act 2011 ('the Act'). The appellants' application vide encl 11 to set aside the said orders was dismissed by the High Court, hence the present appeal. It must be noted that the respondent had also instituted another action at the Kuala Lumpur High Court ('the civil suit') against the appellants in relation to its rights over certain disputed trademarks. In the present appeal, the appellants submitted that: (a) there had been non-disclosure of the fact that the registered trademark had been abandoned by non-use when the orders were applied for ex parte; (b) there had also been non-disclosure that the first appellant was joint owners, alternatively common users, of the impugned trademark when the orders were applied for ex parte; and (c) the recourse taken by the respondent to obtain the orders under s 9 of the Act was ultra vires that provision.

Held, dismissing the appeal with costs:

(1) The orders issued by the learned judge were wholly in compliance with the requirements of s 9 of the Act. They were issued on the application of the owner of a registered trademark and did specifically set out and describe the registered trademark as found in the relevant Certificate of Registration of Trade Mark (see paras 17 & 42).

(2) It was not the law either that abandonment of a trademark had been proven merely by a period of non-use of the specific registered trademark. There had to be definite evidence of abandonment without the intention to resume use. Further in the present case, the registered trademark had been renewed from time to time and remained valid till 2021 and at the time the orders were sought ex parte, there was no application to expunge the registered trademark pending in court. The respondent's products carried the registered trademark, albeit, with minimal alteration ie the omission of the words 'CAP POKOK KELAPA' as recognised and countenanced by s 23(1) of the Trade Mark Act 1976. Thus, there arose no issue of non-disclosure of abandonment of the registered trademark (see paras 24–25).

(3) The first appellant's claims with respect to co-ownership or concurrent use of the unregistered marks were rightfully matters to be pursued separately, and which was now, in any case, within the scope of the dispute between the parties in the civil suit. In the respondent's application, the court was only called upon to deal with the issue of whether or not a trade description order pursuant to s 9 of the Act should be issued. In deciding this issue, the focus of the court was on a registered trademark and whether its infringement has been established in court by the registered proprietor of that mark (see paras 32 & 38).

[Bahasa Malaysia summary

Responden ditubuhkan pada tahun 1975 untuk menjalankan perkilangan, memproses dan pengedaran produk 'dodol' responden. Pada 1976, melalui permohonan cap dagangan No M/72924 yang dibuat oleh seorang KH Tan, cap dagangan yang dipersoalkan itu telah didaftarkan dalam Kelas 30 dan ia telah diperbaharui sehingga 21 September 2021 oleh responden. Pada tahun 2001, Tan Kim Hock Product Centre Sdn Bhd ('perayu pertama') telah digabungkan dengan KH Tan dan seorang yang bernama Siah Siu Eng ('perayu kedua') sebagai pemegang saham untuk menjual dan memasarkan produk 'dodol' responden. Berikutnya, KH Tan menjual sahamnya dalam perayu pertama dan kedua. Pada tahun 2013, responden telah berhenti menggunakan perayu pertama sebagai pengedar, namun, adalah didapati bahawa perayu pertama menjual di premisnya barang keluaran dodol dan biskut yang mempunyai cap dagangan mengelirukan yang sama seperti cap No M/72924. Akibatnya, responden mendapatkan daripada Mahkamah Tinggi tiga perintah

ex parte perihal dagangan ('perintah') menurut s 9 Akta Perihal Dagangan 2011 ('Akta'). Permohonan perayu melalui lampiran 11 untuk mengetepikan perintah itu telah ditolak oleh Mahkamah Tinggi, maka rayuan ini. Perlulah diambil perhatian bahawa responden juga telah memulakan satu lagi tindakan di Mahkamah Tinggi Kuala Lumpur ('guaman sivil') terhadap perayu berkaitan dengan haknya terhadap cap dagangan tertentu yang dipertikaikan. Dalam rayuan ini, responden mengemukakan bahawa: (a) terdapat ketakdedahan fakta bahawa cap dagangan berdaftar telah ditinggalkan dengan tidak menggunakan apabila perintah dimohon untuk ex parte; (b) terdapat juga ketakdedahan bahawa perayu pertama adalah pemilik bersama, secara alternatif pengguna sepunya, cap dagangan yang dipersoalkan apabila perintah dimohon untuk ex parte; dan (c) dan tindakan diambil oleh responden untuk mendapatkan perintah di bawah s 9 Akta adalah ultra vires peruntukan itu.

Diputuskan, menolak rayuan dengan kos:

(1) Perintah yang dikeluarkan oleh hakim yang bijaksana adalah keseluruhannya mematuhi keperluan s 9 Akta. Ia dikeluarkan atas permohonan pemilik cap dagangan berdaftar dan secara spesifik menetapkan dan menggambarkan cap dagangan berdaftar seperti didapati dalam Sijil Pendafaran Cap Dagangan yang berkaitan (lihat perenggan 17 & 42).

(2) Ia juga bukan undang-undang bahawa peninggalan cap dagangan telah terbukti hanya oleh satu tempoh kegagalan menggunakan cap dagangan berdaftar tertentu. Perlulah ada keterangan peninggalan yang kukuh tanpa ada niat untuk meneruskan penggunaan. Selanjutnya dalam kes ini, cap dagangan berdaftar tersebut telah diperbaharui dari masa ke semasa dan kekal sah sehingga 2021 dan semasa perintah dipohon ex parte, tiada permohonan untuk membatalkan cap dagangan berdaftar dibicarakan di mahkamah. Barang keluaran responden menggunakan cap dagangan berdaftar tersebut, walaupun, dengan perubahan yang miminum iaitu tidak dimasukkan perkataan-perkataan 'CAP POKOK KELAPA' seperti yang diiktiraf dan dipersetujui oleh s 23(1) Akta Cap Dagangan 1976. Maka, timbul tiada isu ketakdedahan peninggalan cap dagangan berdaftar tersebut (lihat perenggan 24–25).

(3) Tuntutan perayu pertama berkaitan dengan milikan bersama atau penggunaan serentak cap yang tidak berdaftar adalah perkara yang betul untuk diteruskan secara berasingan, dan yang mana sekarang, walau bagaimanapun, dalam skop pertikaian antara pihak dalam guaman sivil. Dalam permohonan responden, mahkamah hanya dipanggil untuk menangani isu sama ada atau tidak perintah perihal dagangan menurut s 9 Akta patut dikeluarkan. Dalam memutuskan isu ini, fokus mahkamah adalah pada cap dagangan berdaftar dan sama ada pelanggaran telah dibuktikan dalam mahkamah oleh pemilik berdaftar

cap dagangan tersebut (lihat perenggan 32 & 38).]

Notes

For cases on trade description order, see 12(2) *Mallal's Digest* (5th Ed, 2015) paras 2952–2965.

Cases referred to

Brink's Mat Ltd v Elcombe [1988] 1 WLR 1350, CA (refd)
Damayanti Kantilal Doshi & Anor v Jigarlal Kantilal Doshi [2004] 1 MLJ 456, CA (refd)
Hu Kim Ai (trading as Geneve Timepiece) & Anor v Liew Yew Thoong (trading as Crystal Hour) [2004] 7 MLJ 590, HC (refd)
In-Comix Food Industries Sdn Bhd v A Clouet & Co (KL) Sdn Bhd [1997] 4 MLJ 71; [1996] 2 BLJ 543, HC (refd)
Loro Piana SPA v Canadian Council of Professional Engineers (CCPE) 2009 FC 1096, FC (refd)
MajuPerak Tepung Beras Sdn Bhd v Tiga Gajah Cho Heng Sdn Bhd [2001] 3 MLJ 508; [2001] 3 CLJ 241, CA (refd)
Mantha & Associates v Cravatte Di Pancaldi SRL [1999] 2 FCD 35, FC (refd)
Registrar of Trade Marks v Compagnie International pour l'informatique CII Honeywell Bull [1985] 1 FC 406, FC (refd)

Legislation referred to

Trade Descriptions Act 1972 (repealed by Trade Descriptions Act 2011) s 16
Trade Descriptions Act 2011 s 9
Trade Marks Act 1976 ss 23(1), 46

Appeal from: Originating Summons No 24IP-25–05 of 2014 (High Court, Kuala Lumpur)

Goh What Sing (Yap Bell Pung with him) (Bell & Lee) for the appellants.
Damian Yeo Shen Li (Lim Ker Wei with him) (Damian SL Yeo & LC Goh) for the respondent.

Varghese George JCA:

INTRODUCTION

[1] The respondent (Tan KimHock Tong Seng Food Industry Sdn Bhd) ('TKTS Food Industry') had on 4 June 2014 in *Saman Pemula* No 24-IP-25–05 *Tahun* 2014 obtained ex parte from the Kuala Lumpur High Court three trade description orders ('the TDOs'), pursuant to s 9 of the Trade Descriptions Act 2011 ('the Act').

[2] The TDOs were as follows:

1. Produk dodol perisa kelapa yang telah dijual, dipromosikan dan/atau ditawarkan di pasaran terbuka oleh seseorang atau mana-mana firma yang tidak diberikuasa oleh Pemohon dengan menggunakan Cap Dagangan

bersamaan dengan gambar 'T' yang berwarna merah bersama dengan satu pokok kelapa di mana pada tengah pokok kelapa tersebut mengandungi satu perkataan 'S', dan mempunyai pembungkusan yang mengelirukan sama (confusingly similar) dengan pembungkusan Pemohon dari segi warna, bentuk dan butiran pada bungkusan bukanlah produk Pemohon dan oleh itu, diisytiharkan sebagai satu produk tiruan;

2. Produk dodol perisa durian yang telah dijual, dipromosikan dan/atau ditawarkan di pasaran terbuka oleh seseorang atau mana-mana firma yang tidak diberikuasa oleh Pemohon dengan menggunakan Cap Dagangan

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3. Produk biskut kelapa yang telah dijual, dipromosikan dan/atau ditawarkan di pasaran terbuka oleh seseorang atau mana-mana firma yang tidak diberikuasa oleh Pemohon dengan menggunakan Cap Dagangan

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[3] The TDOs were in respect of three products and was to the effect that coconut flavoured dodol, durian flavoured dodol and coconut biscuit sold, promoted and/or offered for sale in the market by someone or any firm which was not authorised by TKTS Food Industry, using the trademark

A

depicting the letter 'T' in red together with a coconut tree where at the middle of the coconut tree there was a letter 'S', and having the packaging which was confusingly similar with TKTS Food Industry's packaging in terms of colour, shape and details on the packaging, was not TKTS Food Industry's product, and therefore it was declared an imitation product bearing a false trade description.

[4] The appellants by a *notis permohonan* (encl 11) filed on 10 November 2014 sought leave to intervene in the *saman pemula* proceedings and, inter alia, applied to set aside the ex parte orders granted by the court to the respondent on 4 June 2014.

[5] On 22 January 2015 the appellants were allowed leave to intervene. On 24 February 2015 the appellants' application to set aside the ex parte orders of 4 June 2016 (and the other prayers in encl 11), was dismissed by the court.

[6] This appeal before us was principally against the decision of the court of 24 February 2015 which refused to set aside the TDOs.

[7] It is also relevant to note that in the interim after the TDOs were obtained:

(a) on 15 October 2014, the premises of the first appellant (Tan Kim Hock Product Centre Sdn Bhd) ('TKH Product Centre') was raided by enforcement officers from the Ministry of Domestic Trade and Consumer Affairs and certain products seized or attached;

(b) on 20 October 2014, TKTS Food Industry had instituted another action at the KL High Court (Suit No 22IP-59–10 of 2014) ('the civil suit') against the appellants to assert TKTS Food Industry's rights over certain disputed trademarks;

(c) the appellants had on 4 December 2014 filed a defence and counterclaim in the civil suit and TKTS Food Industry had in turn filed their reply and defence to counterclaim on 23 December 2014; the appellants' reply to the defence to the counterclaim had also been filed; and

(d) on 22 January 2015 the High Court in Kuala Lumpur had granted the appellants' application to have the civil suit transferred to be heard and disposed of at the High Court in Malacca.

[8] The facts that were relied upon by TKTS Food Industry to obtain the TDOs could be summarised as follows:

(a) they were incorporated in 1975 to undertake the manufacture, processing and distribution of their products which included dodol products;

(b) their founder was Tan Kim Hock ('KH Tan') and together with his late wife they had created the durian dodol, the coconut dodol and the coconut biscuits, which products, before the incorporation of the company, had been sold by the two individuals from house to house since 1950s;

(c) subsequently those products were sold from a shop called Syarikat Tong Seng in Malacca. When business expanded the shop was known as Tong Seng Product Centre, and subsequently as 'Perusahaan TanKim Hock' and later as Tan KimHock Tong Seng Sdn Bhd;

(d) in 1976 based on a trademark application No M/72924 made by KH Tan, the trademark

was registered (21 September 1976) in Class 30 and the same has been renewed until 21 September 2021 by TKTS Food Industry;

(e) in 2001, TKH Product Centre was incorporated with KH Tan and one Madam Siah Siu Eng (the second appellant) as shareholder. TKH Product Centre was established to sell and market the dodol products manufactured by TKTS Food Industry and operated from the same premises in Malacca;

(f) in 2012 KH Tan sold his interest in TKH Products Centre to the second appellant. TKH Product Centre still continued to sell TKTS Food Industry's dodol products until 2013 when TKTS Food Industry stopped using TKH Product Centre as a distributor; and

(g) subsequently, TKTS Food Industry discovered that TKH Product Centre were selling at the latter's premises 'dodol' and biscuit products bearing confusingly similar trademark as the registered mark No M/72924.

[9] A further concern raised by TKTS Food Industry at the ex parte application stage was whether the confusingly similar dodol products sold by TKH Product Centre were genuinely 'halal' certified (as represented), while it was maintained that the dodol products manufactured and sold by TKTS Food Industry were products that had been properly 'halal' certified.

[10] The appellants in asserting their case to be allowed to intervene and set aside the TDOs maintained that the second appellant began to work for KH

Tan in 1970 and they had both together created the trademark. It was also claimed that when KH Tan sold his interest in TKH Product Centre to the second appellant, it included the goodwill and trademark concerned, namely

(that is, without the words/caption 'CAP POKOK KELAPA').

[11] The principal grounds of appeal advanced by the appellants were that:

(a) the registered trademark (No M/72924) had been abandoned by TKTS Food Industry as a result of non-use;

(b) TKTS Food Industry and TKH Product Centre were owners, or alternatively, concurrent users, of the mark

(c) that there had been non-disclosure of material facts when TKTS Food Industry had moved the court ex parte for the TDOs; and

(d) the obtaining of the TDOs ex parte by TKTS Food Industry was an abuse of the court process as it was for a collateral purpose and therefore 'ultra vires' s 9 of the Act.

[12] The above grounds were the same arguments that were pursued before the learned judge why the TDOs ought to be set aside, but with which the learned trial judge did not find favour.

OUR DELIBERATION AND DECISION

[13] It was not in dispute that TKTS Food Industry was the registered proprietor of the trademark held under Registration No M/72924, with a logo consisting of a large letter 'T' in red with a white coconut tree within it and with an 'S' within a circle in the middle of the logo. At the bottom of the logo were the words 'CAP POKOK KELAPA', namely the following:

[14] It was also not in dispute that the 'dodol' products purchased from TKH Product Centre's premises and which were not TKTS Food Industry's dodol products, bore an identical mark to the logo described above, both in the design and the colour scheme, save that the caption 'CAP POKOK KELAPA' at the bottom of the logo was absent.

[15] Some of the other products purchased from TKH Product Centre's premises also carried identical mark as the logo in design and colour scheme but contained the words TAN KIM HOCK below it.

[16] Section 9 of the Act in so far as was material for our consideration is reproduced below:

> 9 Trade description order
>
> (1) Where any person being a registered owner of a registered trade mark under the Trade Marks Act 1976 claim that his rights in respect of such trade mark are being infringed in the course of trade, by any other mark or get-up used by any other person, which is not identical with his registered trade mark but can be passed off as his registered trade mark, he may apply to the High Court to declare that the infringing mark is a false trade description for the purpose of section 8.
>
> (2) For the purpose of subsection (1), the person referred to in subsection (1) in making the application shall identify specifically the infringing trade or other mark or get-up and the High Court may, on the application of such person, make an order declaring that the infringing trade or other mark or get-up is for the purposes of this Act, a false trade description in its application to such goods as may be specified in the order.
>
> (3) An order of the High Court made under this section may be referred to as a trade description order.
>
> (4) ...
>
> (5) ...
>
> (6) Any person who obtains a trade description order under this section shall register the trade description order with the Registrar.

(s 16 of the now repealed Trade Descriptions Act 1972 ('the 1972 Act') (although not pari materia) had similar effect as now provided in s 9 of the Act).

[17] At the outset it pertinent to note that the TDOs issued by the learned judge was wholly in compliance with the requirements of s 9 of the Act. They were issued on the application of the owner of a registered trademark and did specifically set out and describe the registered trademark as found in the relevant Certificate of Registration of Trade Mark. The TDOs were therefore strictly in conformance with that section. The subject of the TDOs was clearly limited to and directed at the unauthorised use of that specific registered trademark. The TDOs did not, it must be pointed out, refer to any other marks that might have been used by the TKTS Food Industry (or by others) or over which, as it would appear, there were some dispute as to its use or its ownership.

[18] Further the law recognised that a trade description order could be applied for ex parte from the court (*In-Comix Food Industries Sdn Bhd v A*

Clouet & Co (KL) Sdn Bhd [1997] 4 MLJ 71; [1996] 2 BLJ 543; *MajuPerak Tepung Beras Sdn Bhd v Tiga Gajah Cho Heng Sdn Bhd* [2001] 3 MLJ 508; [2001] 3 CLJ 241). The purpose of such order was to have it declared by the court, on evidence shown, that the trademark rights of the registered owner, or such interested person, had been infringed by imitation or that counterfeits goods have been found in the market. It was also to assist and move the relevant machinery in the area of criminal law to counter such infringements, (see *In-Comix Food Industries*) and further to prevent the public from being confused or misled by products or goods bearing a false trade description.

[19] In our analysis, the appellants' complaint could be reduced to a three-pronged attack. They were basically that:

(a) there had been non-disclosure of the fact that the registered trademark had been abandoned by non-use when the TDOs were applied for ex parte;

(b) there had also been non-disclosure that TKH Product Centre were joint-owners, alternatively common users, of the mark

when the TDOs were applied for ex parte; and

(c) the recourse taken by TKTS Food Industry to obtain the TDOs under s 9 of the Act was ultra vires that provision.

Abandonment by non-use/non-disclosure

[20] The contention of the appellants was that there was an explicit admission by TKTS Food Industry that the registered trademark itself had not been used since it was registered in 1976 in respect of any of TKTS Food Industry's products and this amounted to abandonment of the rights to that registered mark. It was pointed out that the mark that had been used by TKTS Food Industry all this while for their products was

or the same with the word TAN KIM HOCK below it, and both these marks were commonly used for products produced and sold by TKTS Food Industry and TKH Product Centre. It was also stressed that only in 2014 had TKTS Food Industry filed an application to register the mark

and similarly also for the same mark with the word TAN KIM HOCK below it.

[21] It was further submitted that there was no frank disclosure of this state of affairs by TKTS Food Industry, which, it was contended, was material, when the TDOs were applied for and obtained from court. This fact, it was pointed out, only emerged subsequently as an admission in the *affidavit jawapan* filed for TKTS Food Industry opposing the appellants' encl 11 application to intervene and set aside the TDOs.

[22] The learned judge addressed this issue raised by the appellants in the following manner:

[28] It is not in dispute that the applicant has used the mark

but without the words 'CAP POKOK KELAPA', that is only the

The issue then is whether the lack of use of the registered mark of

means that the registered trademark is deemed to have been abandoned.

[29] The interveners relied on s 46(1)(b) of the TMA 1976 to support its contention that the law of abandonment of registered mark through non-use. *However, s 46(1)(b) is with regards to an application made by an aggrieved party to expunge a trademark from the Register of Trade Mark for non use. Reference to s 46(1)(a) is not relevant as the interveners are not applying to expunge the registered trademark on the basis of non-use*.

[30] With regards use

of mark by the applicant, without the words 'CAP POKOK KELAPA', the provision of *s 23(1) of the TMA 1976* is relevant:

> Where under this Act use of a registered trade mark is required to be proved for any purpose, the Court or the Registry may, if and so far as it or he shall think right, accept use of ... *the trade mark with additions or alterations not substantially affecting its identity as an equivalent of such use*.

[31] In the case of *In the Matter of Morny Ltd's Trade Marks* [1951] 68 RPC 55, the

court held as follows:

> I understand the trade mark law, the Statute recognized the undesirability of requiring proprietors of registered trade marks to maintain the precise form of embellishments or representations which at the time of application were included in the form of the mark submitted for registration ... *use of the trade mark with alterations not substantially affecting its identity can be treated by the Court as equivalent to the use required to be proved*.

[32] In the present case, I find the *dominant feature of the applicant's registered mark to be the logo 'T' which is red and white coconut tree* where in the middle of the coconut tree consists of a logo 'S',

With or without the words 'CAP POKOK KELAPA', *the dominant feature remains the*

mark, which is used on the applicant's dodol products. The non-use of the words 'CAP POKOK KELAPA' does not affect the identity of the applicant's registered mark. There is therefore no issue on non-use of the applicant's registered trademark.

[33] On the issue of abandonment, in view of my finding that pursuant to s 23(1) of the TMA 1976, it is permissible to use the registered mark as

without the words 'CAP POKOK KELAPA', then there is no issue of abandonment. It is not in dispute that the applicant has been using the

on its products since 1970.

[34] In any event, the interveners have failed to show that the applicant has the intention to abandon the registered trade mark. In P Narayanan '*Law of Trade Marks and Passing Off*' in para 24.74, the author opines that:

> *To 'abandon' means to give up absolutely and irrevocably. Although a long period of no-use might indicate an intention to abandon, non-use alone is not enough*. There must be other factors involved before such conclusion can be arrived at as for example the liquidation of the company which owns the mark or a declared intention not to resume user ... *The question of abandonment is one of intention* to be inferred from the facts of the particular case. No particular length of time is necessary for abandonment.

> [35] In the present case, bearing in mind that the applicant has been using the registered trademark with slight and acceptable modification, there can be no intention to abandon the registered trademark. (Emphasis added.)

[23] It was urged upon us by counsel for TKTS Food Industry that the learned judge was correct in holding that the issue of 'abandonment by non-use' was a relevant consideration only when the court had before it an application to expunge a registered trademark (s 46 of the Trade Marks Act 1976) and that was not the case here.

[24] We were in agreement with the learned judge in that respect. It was not the law either that abandonment of a trademark had been proven merely by a period of non-use of the specific registered trademark; there had to be definite evidence of abandonment without the intention to resume use. Further in this case, it had to be noted that the registered trademark had been renewed from time to time and remained valid till 2021 and at the time the TDOs were sought ex parte, there was no application to expunge the registered trademark pending in court.

[25] It was also the forceful submission of counsel for TKTS Food Industry that the omission of the words — CAP POKOK KELAPA (separately and below the logo) did not affect the dominant feature or the main component of the registered mark itself, namely the large T in red with the coconut tree in white in the middle and also a encircled S also in white. It was reiterated by counsel, and we agreed with him, that the omission of the words CAP POKOK KELAPA did not affect the same continuing commercial impression a consumer of the product would have formed, namely, that the product was indeed produced by or originated from TKTS Food Industry. The products of TKTS Food Industry carried the registered trademark, albeit, with that minimal alteration as recognised and countenanced by s 23(1) of the Trade Marks Act 1976. Accordingly, like the learned judge, we were of the view that, there arose no issue of any suppression or non-disclosure of 'abandonment' of the registered trademark, as alleged by the appellants.

[26] For the assistance of the court on this issue, the TKTS Food Industry's counsel had further referred us to 'the test in determining whether a alteration would affect the distinctive character of a mark … found in the case of *Registrar of Trade Marks v Compagnie International pour l'informatique CII Honeywell Bull* [1985] 1 FC 406 which was applied in the case of *Loro Piana SPA v Canadian Council of Professional Engineers (CCPE)* 2009 FC 1096 and the case of *Mantha & Associates v Cravatte Di Pancaldi SRL* [1999] 2 FCD 35, para [17]:

> The practical test to be applied in order to resolve a case of this nature is to compare the trade-mark as it is registered with the trade-mark as it is used and determine

whether the differences between these two marks are so unimportant that an unaware purchaser would be likely to infer that both, in spite of their differences, identity goods having the same origin.

[27] Having considered the respective submissions of counsel for the parties, we were not persuaded that the learned judge had erred, either on the facts or in law, in coming to the decision dismissing the appellants' contention under this head of appeal. We found no merits on both issues raised namely, abandonment by non-use, and of non-disclosure of non-use of the registered trademark, advanced by the appellants to set aside the TDOs at the High Court and repeated before us in appeal.

Concurrent user/common ownership of unregistered marks non-disclosure

[28] It was contended for the appellants that TKTS Food Industry did not have exclusive ownership to the unregistered marks, namely

and/or the same mark with words TAN KIM HOCK below it. It was further submitted that there was common use of those marks both by TKTS Food Industry and TKH Product Centre. It was argued that this concurrent user or joint ownership not only formed another aspect of non-disclosure of a material fact by TKTS Food Industry, but in dismissing the appellants' application to set aside the TDOs, the learned judge had also failed to give due consideration to the contents of a statutory declaration affirmed by KH Tan on 4 July 2013 ('the SD').

[29] *Firstly*, in respect of the SD (at p 435 of *rekod rayuan Jld 3(3) Bahagian C*) we observed that there was no pictorial depiction of any mark set out in the SD and it was being made for the purposes specifically stated therein, and described as:

> IN THE MATTER of an application
> for the Registration of trade/service
> marks in Malaysia.

[30] Further the pertinent parts of the SD, if at all they lent any support to the appellants submission, were in the following terms:

> 6. I make this Statutory Declaration to give my full consent to allow the Company to apply for trade mark registrations for any goods and services in Malaysia and other parts of the world of my name 'TAN KIM HOCK', '... (Chinese characters) ...' and '... (Chinese characters) ...'.
>
> 7. The Company is entitled to be the trademarks registered proprietor of my name 'TAN KIM HOCK', '... (Chinese characters ...)' and '(... Chinese characters ...)'.

[31] There was therefore nothing in our reading of the SD that was of any assistance to the appellants' contention that the contents therein constituted a material or relevant fact for the consideration of the court, the non-disclosure by TKTS Food Industry of which, disentitled them to the TDOs. The SD was meant only for the purposes of applications to be or being made by the first appellant for registration of trademarks, that too, only for the three marks as identified therein in paras 6 and 7 reproduced above and as such would become relevant only in respect of any dispute or rival claims related to and restricted to those identified marks.

[32] TKH Product Centre's claims with respect to co-ownership or concurrent use of the unregistered marks were, in our view, rightfully matters to be pursued separately, and which was now, in any case, within the scope of the dispute between the parties in the civil suit. With regard to the *saman pemula* application of TKTS Food Industry, the court was only called upon to deal with the issue of whether or not a trade description order pursuant to s 9 of the Act should be issued, subject of course it being shown to the satisfaction of the court by the proprietor of a *registered trademark* that there were in the market, products bearing their trademark when such products did not emanate from them at all.

[33] The learned judge's conclusion on this issue was set out at para 38 of the grounds of decision and it was follows:

> [38] With regards to the ownership of the unregistered trademarks, the same is the subject matter of the Suit 22IP-59–10 of 2014 and is not relevant to the issue for the TDO, as we are only dealing with a registered trademark under s 9 of Act 175. So long as there is a registered trademark the same has been infringed, this forms the basis of the TDO.

We were in complete agreement with the learned judge on this score.

[34] Secondly, the antecedents to and surrounding circumstances related to the business relationship between TKTS Food Industry and TKH Product Centre were adverted to specifically, and in our view sufficiently, at paras 16–20 (*latar belakang Syarikat Tan Kim Product Centre Sdn Bhd*) of the affidavit in support affirmed by Tan Bee Sen on 8 May 2014 and filed together with the ex parte application for the TDOs. Principally it was disclosed there that TKH Product Centre was intended to be only a distributor of TKTS Food Industry's products and business was carried on between them on that basis until November 2013. Further at para 21 onwards of the same affidavit (*mengenai produk tiruan di kedai Tan Kim Hock Product Centre Sdn Bhd*) the deponent had fully set out the circumstances relating to the discovery of imitation products bearing TKTS Food Industry's mark at the first appellant's premises.

[35] The appellants also referred us to two letters and argued that they had also not been brought to the attention of the learned judge when the court was moved ex parte to issue the TDOs. The first was the letter of 26 February 2014 by solicitors for Tan Kim Hock and TKTS Food Industry to TKH Product Centre and the other was the reply by TKH Product Centre's then solicitors dated 16 April 2014. On closer scrutiny of those letters one could see that the first was a warning given by TKTS Food Industry as to 'infringement' of their trademark and demanding that TKH Product Centre withdraw certain applications for registration of trademarks submitted to the authorities by the latter. The second letter was a categorical and vehement denial of the contents of the first letter and expressing the position that they would contest all of TKTS Food Industry's claims in the matter, vis a vis the alleged infringement.

[36] In our assessment the contents of these letters were immaterial as to whether a trade description order under s 9 of the Act ought or ought not to be issued. We have already observed above the nature and objective behind that provision, and how the TDOs in this case had complied with the same in the terms of the registered trademark at the instance of the proprietor of the same. The letters were in respect at best of an evolving dispute centred on unregistered marks or passing off rights in common law. In *Hu Kim Ai (trading as Geneve Timepiece) & Anor v Liew Yew Thoong (trading as Crystal Hour)* [2004] 7 MLJ 590 the court (drawing from the English Court of Appeal decision in *Brink's Mat Ltd v Elcombe* [1988] 1 WLR 1350) said:

> The *material facts are those which it is material for the judge to know in dealing with the application* as made; materiality is to be decided by the court and not by assessment of the applicant or his legal adviser ... In other words, *it would not have any effect, let alone create a decisive impact* on the court disallowing the application for the Trade Description Order ... (Emphasis added.)

[37] It was also apposite to also be reminded that the position in law in so far as material disclosures were concerned when seeking orders of court ex parte were no longer as strict as previously viewed by the courts. In *Damayanti Kantilal Doshi & Anor v Jigarlal Kantilal Doshi* [2004] 1 MLJ 456 it was held that there was no absolute right in any case to have an exparte order set aside just on the grounds of 'non-disclosure'. The court said:

> It does not, however, necessarily follow that because the plaintiff had failed to disclose these facts that an order for discharge of the injunction must inevitably follow, for the court would still have to consider whether justice requires the injunction to continue. In considering this part of the case, I have asked myself whether the non-disclosure concerned was so severe that, had there been full disclosure, this court would not have granted the interlocutory injunction.

[38] In our considered view the learned judge was not in error in dismissing the appellants' contentions that there had been non-disclosure of 'material

matters', with respect to common ownership or concurrent use of trademarks or of correspondence thereto between solicitors for the parties, when the TDOs were obtained. At the risk of repeating ourselves, it must be emphasised that the focus of the court in deciding whether or not to grant a trade description order pursuant to s 9 of the Act was on a *registered* trademark, and whether its infringement has been established in court by the *registered proprietor* of that mark. Disputes over or rival claims, likely or existing, as to any *unregistered mark* could not be material or for that matter relevant in an ex parte application for a trade description order. In this case, the learned judge in our view, rightfully decided that there was sufficient details and information provided at the ex parte stage and that the TDOs should continue to be valid notwithstanding the appellants' application to set aside or dissolve the same.

Ultra vires s 9 of the Act

[39] Basically the appellants' argument here was that there had been an abuse of process by TKTS Food Industry in applying for the TDOs when there was already an eminent dispute between the parties in respect of their rights, allegedly as concurrent users of various marks. The appellants presented this complaint rather graphically as TKTS Food Industry having stolen an unfair march on them when, with the TDOs in hand, they had caused the authorities to raid the TKH Product Centre's premises disrupting their business and causing loss to them; all this transpired, it was alleged, despite TKTS Food Industry being fully aware of the common law rights of the appellants to the marks.

[40] Thus it was contended the obtaining of the TDOs ex parte was for a collateral purpose and this was never the objective underlying the right to obtain a trade description order pursuant to s 9 of the Act. It was also further argued for the appellants that TKTS Food Industry should have filed proceedings alleging infringement of their rights related to relevant registered trademark and/or asserting their passing off rights and they should have sought for an injunction within such action first, rather than proceed to obtain the TDOs.

[41] We have already expressed our views as to the tenor and purport of s 9 of the Act and the nature of the trade description order that might be granted by the court upon the application of the proprietor of a registered trademark. We found nothing in that section that required the applicant to resort to any other measure or pre-requisite proceeding before seeking the order thereunder. It was also not reasonable to impose such a condition or make the proprietor of a registered trademark wait, once it was established on evidence that there were counterfeits or products with false trade description or marks in the market, threatening the trademark owner's commercial interests. It was also in the

interest of the general public that a trade description order should be issued expeditiously in such circumstances.

[42] We make reference here to what we have already set out at para 17 of this grounds of judgment. Suffice us to repeat the same and affirm that the TDOs in this case were issued by the court with reference only to the registered marks and therefore complied strictly with s 9 of the Act. The law gave recognition to the rights of a proprietor of a registered trademark to swiftly obtain assistance from the court. The TDOs obtained by TKTS Food Industry was well within the letter of the law and they were entitled to those orders. No ulterior or wrongful motive could therefore be attributed to TKTS Food Industry for their actions in obtaining the TDOs from the court.

[43] We were constrained therefore to dismiss the contention that the TDOs were secured ultra vires that section merely because it had been executed by the authorities against and had brought some inconvenience to TKH Product Centre; any defence or recourse available to TKH Product Centre against that action by the authorities lied elsewhere.

CONCLUSION

[44] For the reasons elaborated above we unanimously dismissed the appeal with costs.

Appeal dismissed with costs.

Reported by Dzulqarnain Ab Fatar